

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN**

In re:

MICHAEL A. GRAL

Debtor-in-possession.

Case No. 16-21329-GMH

Chapter 11

**LIMITED OBJECTION TO DEBTOR'S  
AMENDED MOTION TO OBTAIN SECURED CREDIT**

Kaplan Saunders Valente & Beninati LLC (“*Kaplan Saunders*”) and Altshullaw, LLC hereby object to Debtor’s Motion To Obtain Secured Credit As A Result Of Lien On Property That Is Not Property Of The Estate Pursuant To 11 U.S.C. § 364 [Doc. No. 1398] on the limited basis that the intended use of the proceeds is to pay future awards of fees to Debtor’s counsel and counsel for the Official Committee of Unsecured Creditors (the “Committee”) which would impermissibly leap-frog Kaplan Saunders and AltshulLaw’s administrative priority claim that remains outstanding. In support, Kaplan Saunders and AltshulLaw state:

1. AltshulLaw and Kaplan Saunders were prior counsel for the Committee.
2. On October 19, 2016, this Court entered an Order Approving Settlement Agreement Between Debtor, Michael A. Gral, And AltshulLaw, LLC And Kaplan Saunders Valente & Beninati LLP [Doc. No. 1136] (the “Administrative Priority Order”).
3. The Administrative Priority Order was a product of an agreement between the Debtor, on the one hand, and Kaplan Saunders and AltshulLaw, on the other hand, as to the amount of fees Kaplan Saunders and AltshulLaw was entitled to as an administrative priority claim.
4. Both the current counsel for the Committee and the United States Trustee had, prior to the agreement, stipulated to the reasonableness of Kaplan Saunders’ and AltshulLaw’s

fees in an amount in excess of what was reflected in the Administrative Priority Order [Doc. No. 1074].

5. Pursuant to the Administrative Priority Order, Kaplan Saunders and Altshullaw were granted an administrative fee in the total sum of \$105,600 [Doc. No. 1136, p. 4, ¶ 2].

6. Of the \$105,600, \$16,600 was acknowledged to have been previously paid and \$30,000 was paid on or about the entry of the Administrative Priority Order leaving an unpaid balance of \$59,000 due and owing to Kaplan Saunders and AltshulLaw.

7. Under the Administrative Priority Order, the remaining \$59,000 is due as an administrative priority claim and the latest Debtor can pay the \$59,000 balance is 90-days after the date that the court confirms a Plan of Reorganization propounded by the Debtor. [Doc. No. 1136, p. 4-5, ¶ 2(c)]

8. Despite that current obligation, Debtor, by its motion, proposes to use the proceeds of a loan valued at approximately at \$47,000 to pay only “future awards for fees to Debtor’s counsel and counsel for the Official Committee of Unsecured Creditors.” [Doc. No. 1398, p. 2, ¶ 4]

9. Debtor cannot leap-frog Kaplan Saunders and AltshulLaw’s remaining administrative priority claim in the amount of \$59,000 (an amount due and owing and agreed to by both Debtor and agreed to by the Committee) to pay only future awards to it and the Committee.

10. Instead, to the extent Debtor acquires funds to pay the “expenses of administration”, as it requests, those must first be applied to outstanding awarded administrative priority claims. [Doc. No. 1398, p. 2, ¶ 4]

WHEREFORE, Kaplan Saunders and AltshulLaw requested that, to the extent the Debtor is allowed to obtain secured credit to pay expenses of administration, the Debtor must first use those funds to pay outstanding awarded administrative priority claims and not, as it proposes, to bypass prior awards and only pay “future” expenses.

KAPLAN SAUNDERS VALENTE & BENINATI LLP

By: /s/ Jeffrey E. Altshul

ALTSHULLAW, LLC

By: /s/ Jeffrey E. Altshul

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**Certificate of Service**

I, Sandra Curits, a non-attorney, hereby state that the ECF Notice of this filing will be sent via the Court's CM/ECF system on May 25, 2018 to the following parties: Robert Alan Ader, Jeffrey E. Altshul, Carla O. Andres, Nina G. Beck, Sean O. Bosack, Kurt M. Carlson, Michael F. Dubis, Lori J. Fabian, Joseph E. Fenzel, Derek H. Goodman, Jonathan V. Goodman, Daniel J. Habeck, Patrick B. Howell, Elizabeth L. Janczak, Neal H. Levin, D. Alexander Martin, Mark L. Metz, Christopher M. Meuler, Office of the U.S. Trustee, Benjamin P. Payne, Nicole I. Pellerin, Michael S. Polsky, Andrew H. Robinson, Katherine Stadler, Laura Steele, Martin J. Wasserman and Jonathan V. Goodman.

The following parties on the attached service list will be served by U.S. Mail. On May 25, 2018, pursuant to Federal Bankruptcy Rule 7004 and 9014, at the mailing addresses shown.

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Sandra Curtis

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